



## INTERNATIONAL APPLICATION PUBLISHED UNDER THE PATENT COOPERATION TREATY (PCT)

(51) International Patent Classification <sup>7</sup> :	A1	(11) International Publication Number: <b>WO 00/55781</b>
G06F 17/60		(43) International Publication Date: 21 September 2000 (21.09.00)
(21) International Application Number: PCT/US00/03726		(81) Designated States: AE, AL, AM, AT, AU, AZ, BA, BB, BG, BR, BY, CA, CH, CN, CR, CU, CZ, DE, DK, DM, EE, ES, FI, GB, GD, GE, GH, GM, HR, HU, ID, IL, IN, IS, JP, KE, KG, KP, KR, KZ, LC, LK, LR, LS, LT, LU, LV, MA, MD, MG, MK, MN, MW, MX, NO, NZ, PL, PT, RO, RU, SD, SE, SG, SI, SK, SL, TJ, TM, TR, TT, UA, UG, UZ, VN, YU, ZA, ZW, ARIPO patent (GH, GM, KE, LS, MW, SD, SL, SZ, TZ, UG, ZW), Eurasian patent (AM, AZ, BY, KG, KZ, MD, RU, TJ, TM), European patent (AT, BE, CH, CY, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, MC, NL, PT, SE), OAPI patent (BF, BJ, CF, CG, CI, CM, GA, GN, GW, ML, MR, NE, SN, TD, TG).
(22) International Filing Date: 16 March 2000 (16.03.00)		
(30) Priority Data: 09/270,710 16 March 1999 (16.03.99) US		
(71)(72) Applicant and Inventor: GLASER, Lawrence, F. [US/US]; 10705 Averett Drive, Fairfax Station, VA 22039 (US).		
(74) Agent: ROBINSON, Eric, J.; Nixon Peabody LLP, Suite 800, 8180 Greensboro Drive, McLean, VA 22120 (US).		

(54) Title: A METHOD OF EMBEDDING ADVERTISEMENTS IN COMMUNICATION

## (57) Abstract

A system and method for advertising wherein a communication (1) from a sending party (5) to a receiving party (6) includes one or more advertisements (4). Such a communication could include one or more of an email, a voice mail, a voice communication (i.e. a telephone call or internet based telephony communication), a facsimile message, a pager message, or any other suitable electronic communication. In a preferred embodiment, the communication is an email sent from a sending party (5) to a receiving party (6), wherein the email includes an advertisement for a product or service used by the sending party (5). Such an advertisement could include a "testimonial" from the sending party (5), whose credibility is established with the receiving party (6).

1

To: [iglaser@fortran-corp.com](mailto:iglaser@fortran-corp.com) 6  
 From: [Eric<erobin@sixbey.com>](mailto:Eric<erobin@sixbey.com>) 5  
 Subject: New Installation Meeting - 9:00 am, 03/17/99 7  
 Cc:  
 Bcc:  
 Attached:

2

Larry:

3

The meeting for the Greensboro installation has been rescheduled for 9:00 am tomorrow. If possible, please bring the revised network topology diagrams so we can discuss. I hope you can make it and look forward to seeing you there.

4

Best regards,

Eric

5

6

7

\*\* PRO-CAD SOFTWARE\*\*  
 Number one in the industry and number one for me!  
<http://www.pro-cad.com>

## A METHOD OF EMBEDDING ADVERTISEMENTS IN COMMUNICATION

5        The present invention is directed to a system and method of interactive advertising, and more particularly to a system and method of generating an interactive advertisement, coupon or any other like message, embedding and transmitting the same, and updating the interactive advertisement when warranted. The present invention is directed also to a  
10      system and method of multi-level marketing in cooperation with the method of interactive advertising.

### BACKGROUND OF THE INVENTION

15      Advertising is an essential element of any successful business enterprise. Without having the consumer learn about a producer's or manufacturer's product or service, the consumer will not know of that product or service and will therefore not be prone to buying, subscribing, renting, leasing and/or obtaining that product or service. Furthermore, where a number of various competing products exist, it is important to obtain product differentiation in order to achieve a large market share.

20      Typically, advertising is accomplished via broadcasting, whether it be a television or radio commercial, billboard, magazine, newspaper, or more recently Internet based advertisement. That is, an advertiser places a single advertisement in a particular media and hopes that those people who might be most interested will see and be influenced by that advertisement.

25      Unfortunately, this strategy can be wasteful since only a very small fraction of the people who will view or hear the advertisement will ever have any intention of acting on the information provided therein. In this regard,

Conventional advertisements, however, including internet "banner" advertisements are often transitory and are lost or forgotten after being viewed by a potential purchaser. Even if a user revisits an Internet site, the advertisement previously displayed is often replaced by another, different advertisement since such sites routinely change or rotate the displayed advertisement. Similarly, many broadcast advertisements are lost after being viewed by the consumer and thus the consumer can no longer locate advertisement related information in the event they later decide to purchase the advertised product or service.

Another Internet based approach has been developed in order to more accurately target possible consumers. This approach operates in connection with one of the many Internet based search engines, such as that found at [www.metacrawler.com](http://www.metacrawler.com), [www.lycos.com](http://www.lycos.com), or [www.altavista.com](http://www.altavista.com) for example. When a user queries the search engine, context sensitive advertisements are displayed together with the users search results. Thus, if the user queries on "Hawaii travel," for example, his search results will include banner advertisements for travel related services. While such advertisements are more directly targeted, they reach a relatively smaller audience than do broadcast advertisements.

With the recent almost universal acceptance of electronic mail (e-mail), advertisers have also begun to use unsolicited commercial e-mail (UCE), commonly referred to as SPAM, to advertise their products and services. UCE, however, is often viewed with disgust by recipients since it is viewed as invading the user's privacy, clutters their computer system, and may adversely affect the operation thereof. As such, most users delete such messages without reading them, and those that do read them often form unfavorable opinions of the products and services offered due to their

a second party includes an advertisement that is received by the second party.

5 It is another object of the present invention to provide an advertising system and method in which a point-to-point communication includes an advertisement.

It is yet a further object of the present invention to provide such an advertising system and method in which the point-to-point communication is a private communication between a first sending party and a second receiving party.

0 It is a still further object of the present invention to provide such an advertising system and method in which the private communication is one of an electronic mail, a facsimile transmission, a telephone message, a pager message, or a video message.

15 It is another object of the present invention to provide a system and method for advertising wherein an electronic communication automatically includes an advertisement embedded therein.

20 It is a further object of the present invention to provide such an advertising system and method wherein a data processing system (including a workstation or server) used to originate the message embeds an advertisement therein.

It is a still further object of the present invention to provide such an advertising system and method in which the product or service being advertised is operated or used in conjunction with the data processing system originating the message that includes the advertisement.

25 It is another object of the present invention to provide such an advertising system and method in which a product being advertised is a

in communications originated from, or initiated by, that data processing device.

It is yet another object of the present invention to provide an advertising system and method in which an endorsement of a product or service is included in the advertisement.

5 It is a still further object of the present invention to provide such a system and method for advertising wherein a recipient of an electronic communication including an embedded advertisement is made aware that the sender (or chain of senders) of the communication uses, supports, or otherwise advocates the product or service being advertised.

10 It is another object of the present invention to provide such an advertising system and method wherein an endorsement for the product or service is from a person trusted by the recipient of the advertisement, thereby increasing the effectiveness of the advertisement.

15 It is yet another object of the present invention to provide such an advertising system and method wherein an endorsement for the product or service is from a chain of people trusted by the recipient of the advertisement, thereby increasing the effectiveness of the advertisement.

20 It is a still further object of the present invention to provide an advertising system and method wherein advertisements are accumulated in communications between a sending party and a plurality of recipients.

25 It is another object of the present invention to provide such a system wherein each successive communication includes only advertisements that are common to all parties have received and forward the message, thus strengthening the testimonial effectiveness of the advertisement.

It is a still further object of the present invention to provide an advertisement system and method that conveniently and efficiently delivers a

It is a further object of the present invention to provide such a system wherein such advertising is automatically included in subsequent communications initiated by such recipients.

5 It is a still object of the present invention to provide such an advertising system and method in which a multi-level marketing type system is implemented wherein an original advertiser of a product or service is compensated not only for advertisements he originates, but also for advertisements originated by parties who have agreed to become advertisers in response to a communication from that original advertiser.

0 Is a further object of the present invention to provide a system and method for advertising wherein a recipient of an advertisement for a product or service is provided an opportunity to further advertise that product or service.

15 It is another object of the present invention to provide such a system and method wherein the recipient electing to further advertise the product or service is compensated for doing so, such compensation including remuneration, free products or services, or enhanced services.

20 It is still another object of the present invention to provide such an advertising system and method in which a communication that is sent by a first sending party, is intercepted by a third advertising party, an advertisement there being embedded in the communication, and is thereafter sent to a second receiving party.

25 It is another object of the present invention to provide a system and method for advertising wherein advertisements are more specifically targeted to a desired market audience.

It is a further object of the present invention to provide such a system and method wherein advertisements are embedded within communications

advertisement is included in the email message of the sending party as a result of an election made by the sending party during installation of the software program.

5

#### BRIEF DESCRIPTION OF THE DRAWINGS

The present invention will be more fully understood upon reading the following Detailed Description in conjunction with the accompanying figures, in which reference numerals are used consistently to indicate like elements, and in which:

10

Fig. 1 shows an e-mail message including an advertising area in accordance with one preferred embodiment of the present invention.

Fig. 2 depicts a flow diagram showing a setup procedure in accordance with the present invention.

15

Fig. 3 illustrates a typical facsimile cover page including an advertisement in accordance with the present invention.

Fig. 4 illustrates a flowchart illustrating one method by which a third party advertising server embeds an advertisement in a communication in accordance with the present invention.

20

#### DETAILED DESCRIPTION OF THE INVENTION

25

The present invention will now be described with reference to the figures. Figure 1 depicts an e-mail message 1 in accordance with one preferred embodiment of the present invention. E-mail message 1 shown in Figure 1 will generally be an intended communication from a sender to a recipient. That is, e-mail message 1 will not be UCE or SPAM that is typically broadcast to a very large number of recipients. Rather, e-mail message 1 will intentionally be generated by a sender, forwarded by that

5

Figure 1. Thus, if a recipient desires more information on the advertised product or service he can visit the linked site for more information. Also, if the recipient wishes to join the group of advertisers (thus creating or joining a "multi-level" advertising hierarchy), he may visit the linked data source to complete such process.

15

Furthermore, the advertisement could be tailored to the demographic of the recipient. That is, the advertisement could be in a native language of the recipient. As another example, the advertisement could be for one product if the recipient is in a first geographic region while it could be for a second product if the recipient is in a second geographic region. The information on the recipient could be determined from the recipient's email or IP address, as well as from a user profile provided through, for example, an Internet portal. Furthermore, the known psychology of advertising (i.e. gender stereotyping, age targeting, income targeting, etc.) can be employed by accessing suitable information from an available user profile.

20

The included advertisement could be a coupon (redeemable physically or electronically) that provides reduced or free services or products. Furthermore, in accordance with the present invention, such coupon could be a diminishing value with time. That is, if redeemed within 2 days, for example, of receipt, the coupon could have full value, whereas it may only have 50% of its value if redeemed after this period. Thus, the advertisement in accordance with the present invention encourages a recipient to quickly act on the advertisement received. Furthermore, conversely, the coupon could increase in value over time until such time as a number of products or services have been redeemed, thus allowing a seller of such products or services to gradually increase the enticement to consumers until such time as his inventory is diminished.

25

so that appropriate advertisements are sent with electronic communications originating from that computer system in the manner herein described.

Figure 2 depicts a flow diagram of how an advertisement for, for example, a newly-installed mouse would be enabled and placed in advertisement area 4 of e-mail message 1 in accordance with a preferred embodiment of the present invention. As with any new peripheral hardware equipment purchase, the mouse would first be physically connected to the data processing system or computer at step 200. Then at step 210, software related to the mouse is installed on the computer system to which the mouse has been connected. Such software typically includes drivers and/or any additional software that might be desirable or necessary for the mouse to function properly with the computer.

Then, in accordance with the present invention, the setup procedure for the mouse would proceed to step 220, which is a preset "switch" by the manufacturer that determines whether the setup procedure will conclude at that point, i.e. proceed directly to step 240, or whether the setup procedure will continue to step 230 in accordance with the present invention. Of course, step 220 is not necessary for the preferred embodiment in that the option to advertise could be included in all installation programs and not software "selectable" as in the most preferred embodiment. At step 230, the user is prompted as to whether he would like to participate as an advertiser of the mouse product that is being installed. If the user does not want to participate, the setup procedure moves to step 240 where it concludes and exits, thereby completing the mouse installation. In this instance, the setup routine performs the same functions as existing setup routines with no further modifications or changes to the user's computer system.

device -- a genuine Microtech mouse!" Thus, a recipient, who may trust and respect the sender's judgment, understands that the sender strongly believes in the advertised product or service and thus receives a very positive opinion thereof.

5        While the preferred embodiment discussed above is directed to a hardware component, namely a mouse, the present invention is applicable to any software or hardware device. In accordance with a further preferred embodiment of the present invention, an advertisement for a software program is embedded in the e-mail communication. With widespread adoption of the Internet, software distribution is increasingly becoming electronic, with users visiting a world wide web (WWW) site to purchase and download software. In many instances, such software is distributed as "shareware" where a user may try the software for a specified time prior to deciding whether to purchase the software. In such instances, the installation 10      program of the software could easily be modified to embody the present invention to advertise the software. Furthermore, such advertisement could include reference (or link) to the WWW site where others who receive the advertisement could download the same software. With many e-mail clients, such a link can be directly accessed by clicking on the advertisement itself 15      and the user's computer system will execute a web browser application and load the desired page.

20      Once the proper linking processes have been completed, the setup procedure proceeds to step 260 where an internal timer or counter may be set. Specifically, it might be decided by the mouse manufacturer, for example, that it would be impractical or undesirable from a marketing point 25      of view to be advertising a particular mouse perhaps many years from the time of original installation, as products, company image and the like might

that a company can obtain. In accordance with the present invention, therefore, it is possible for a company to obtain a significant marketing advantage.

5 Perhaps even more significant is that the advertisement in accordance with the present invention is not potentially wasteful as conventional broadcast-type advertising might be. The advertisement method of the present invention is point-to-point, not broadcast. In other words, each advertisement is sent to one or perhaps a limited number of people, those people being the direct recipients of the e-mail messages. And, perhaps even more important, it is quite probable that those recipients are precisely the audience (or clique) that the company that is advertising wants to target.

15 Also of significance is the fact that such advertising in accordance with this preferred embodiment of the present invention has little or no cost to the advertiser. Where a broadcast television advertisement that reaches 2 million people may cost hundreds of thousands of dollars, an advertisement in accordance with the present invention could be free. In many instances, however, advertisers may wish to entice or encourage users to choose to participate as an advertiser. In such instances, the company that wishes to advertise may provide discounted or reduced hardware or software prices to those that accept the offer to advertise. For example, where the advertisement is for a shareware software program, agreement to advertise could result in a reduced or zero cost for registration of that program. Furthermore, scaled reductions could be offered based on the volume of advertisements that are sent by the user. That is, if the user sends 50 unique e-mail messages, they could then be entitled to a reduced registration fee whereas if they send 100 such messages, they may receive registration at no cost.

An airline frequent flyer program is one example of an implementation of the present embodiment. Airline frequent flyer programs are increasingly popular. These programs are made available primarily to promote the particular airline and have people buy tickets on that airline. 5 Presently, under certain implementations of such programs, "miles" can be earned by using certain long distance telephone companies or by using certain credit cards. The present invention provides an even greater opportunity for an airline to promote itself.

Specifically, a user that has agreed to participate as an advertiser would "earn," for example, one mile for each e-mail that was sent that included the airline's advertisement. Such advertisement could include an invitation to the recipient to become an advertiser himself. If a recipient of that e-mail himself wanted to be an advertiser as a result of receiving the e-mail, he could sign-up directly via the Internet, for example, to also become an advertiser and indicate, automatically, or manually, that this request to participate as an advertiser resulted from receiving the original e-mail. Once that recipient becomes an advertiser, for each e-mail that he sends with an embedded advertisement therein he would earn one mile. Additionally, the original advertiser would earn, for example, 1/4 mile for each embedded advertisement sent by the first recipient. In this way, the original advertiser quickly earns "miles" without even further sending out any additional e-mail messages with embedded advertisements therein. 15 20

Of course, security considerations (i.e. encryption, etc.) will be used in connection with this system to maintain and ensure the integrity of the awards to each individual participating in the multi-level marketing program. 25 For example, well known public key cryptography techniques can be used to authenticate a message received from a party and to allocate credit to that

illustrated as including both textual and graphical information, but could be limited to one or the other as readily understood by those of skill in the art. Furthermore, advertisement 330 could include a testimonial from the user, similar to that of advertisement 4 shown in Figure 1.

5 For facsimile and video teleconferencing formats, a graphic and/or a relatively small amount of text can be superimposed over a portion of the viewable message. And, as the speed of the Internet increases, graphical animation advertisements can also be implemented. Thus, an advertisement could take the form of an advertisement that might already be running on the television and that advertisement could then be re-transmitted on a point-to-point basis to maximize the use of that television advertisement. Graphical advertisements can also be in the form of animation such a cartoon character that includes movement and/or sound.

15 In voice or aural formats, every telephone call, for example, initiated by a user who has agreed to participate as an advertiser is introduced by a relatively quick voice announcement or advertisement either about the telephone service, or even an unrelated service or product. For example, upon answering a telephone call, a recipient would receive a brief, audible indication of the long distance service used by the caller to place the call. 20 Thereafter, the connection would be established to allow the parties to communicate. Again, for agreeing to advertise such service or product, the party initiating the telephone call may receive a discount to thus justify the inconvenience of the advertisement and possible irritation of the party receiving the call. Of course, the party initiating the call could temporarily 25 "block" the advertisement by dialing a predetermined code, to prevent important calls from being stigmatized by the presence of the advertisement. In such case, however, the caller may not receive the discount from the

5

would be to replace the originally-intended recipient's e-mail address with the e-mail address of the third party. Then, once the advertisement has been embedded in the original e-mail message, the third party would re-address the original e-mail to the originally-intended recipient and send the message such that the originally intended recipient would never know that any "detour" has taken place. Preferably, no substantial delay to the e-mail transmission would be detectable, to either the sender or intended recipient.

15

20

Figure 4 illustrates a flowchart depicting one such embodiment of the present invention. In Figure 4, a user has already installed software or hardware and indicated a desire to be an advertiser in connection therewith. During the installation process, the installation program identifies the e-mail client used on the system (see Figure 2, block 250), and configures that email client to redirect email to a third party server. In this embodiment, the installation program would include in the e-mail message headers an extended header, such as "X-redirect-to," that would include the recipient information entered by the user when composing an e-mail message. The actual "to" header would be replaced with a third party advertising server address, thus forwarding all email from the user to that third party server. As readily apparent, such redirection could occur transparently to the user, who would enter a "to" address in the conventional manner. Upon receipt of the message at the third party server, the message would be modified to include an advertisement, the information from the "X-redirect-to" header field would be placed into the "to" field, and the message would be retransmitted in amended form to the intended recipient.

25

Referring specifically to figure 4, the process begins in block 400, where a user composes a new e-mail message to an intended recipient. in block 410, the e-mail client, modified as described above when the user

What is claimed is:

1. A method of transmitting an advertisement from a sending party to a receiving party comprising the steps of:
  - initiating a communication from a data processing system associated with the sending party;
  - associating a preselected advertisement with said communication; and
  - transmitting said communication with said preselected advertisement embedded therein to the recipient.
2. The method of claim 1, further comprising the steps of:
  - offering to the sender an option of becoming an advertiser; and
  - enabling, if the offer is accepted, a procedure within said data processing system by which said preselected advertisement is associated with the communication.
3. The method of claim 1, wherein the advertisement is associated with at least one of software or hardware operable with the data processing system.
4. The method of claim 1, wherein the communication is at least one of e-mail, facsimile, voice-over-IP, voice-over-Internet, voice mail, video mail, video teleconferencing, and an animated presentation.
5. The method of claim 1, wherein the advertisement is sent for a preselected time period.

14. The method of claim 7, wherein said preselected advertisement is electronically obtained from a third party data processing system using the Internet.

5 15. The method of claim 1, wherein the advertisement is displayed to a recipient during a period of at least one of before, during and after the communication.

10 16. The method of claim 1, wherein the data processing system is at least one of a computer and telephone.

17. The method of claim 2, wherein the advertisement is embedded in the communication by a third party.

15 18. The method of claim 1 wherein said preselected advertisement is determined at least in part by the recipient's demographic.

19. The method of claim 18 wherein said demographic is at least one of location, language, gender, age, income, and physical handicap.

20 20. A method of transmitting an electronic communication including an advertisement from a data processing system associated with a sending party to a data processing system associated with a receiving party comprising the steps of:

25 locating a data file containing signature information on the data processing system associated with the sending party, said signature

## FIG. 1

To: Iglaser@fortran-corp.com 6  
From: Eric<erobin@sixbey.com> 5  
Subject: New Installation Meeting -- 9:00 am, 03/17/99 7  
Cc:  
Bcc:  
Attached:

Larry:

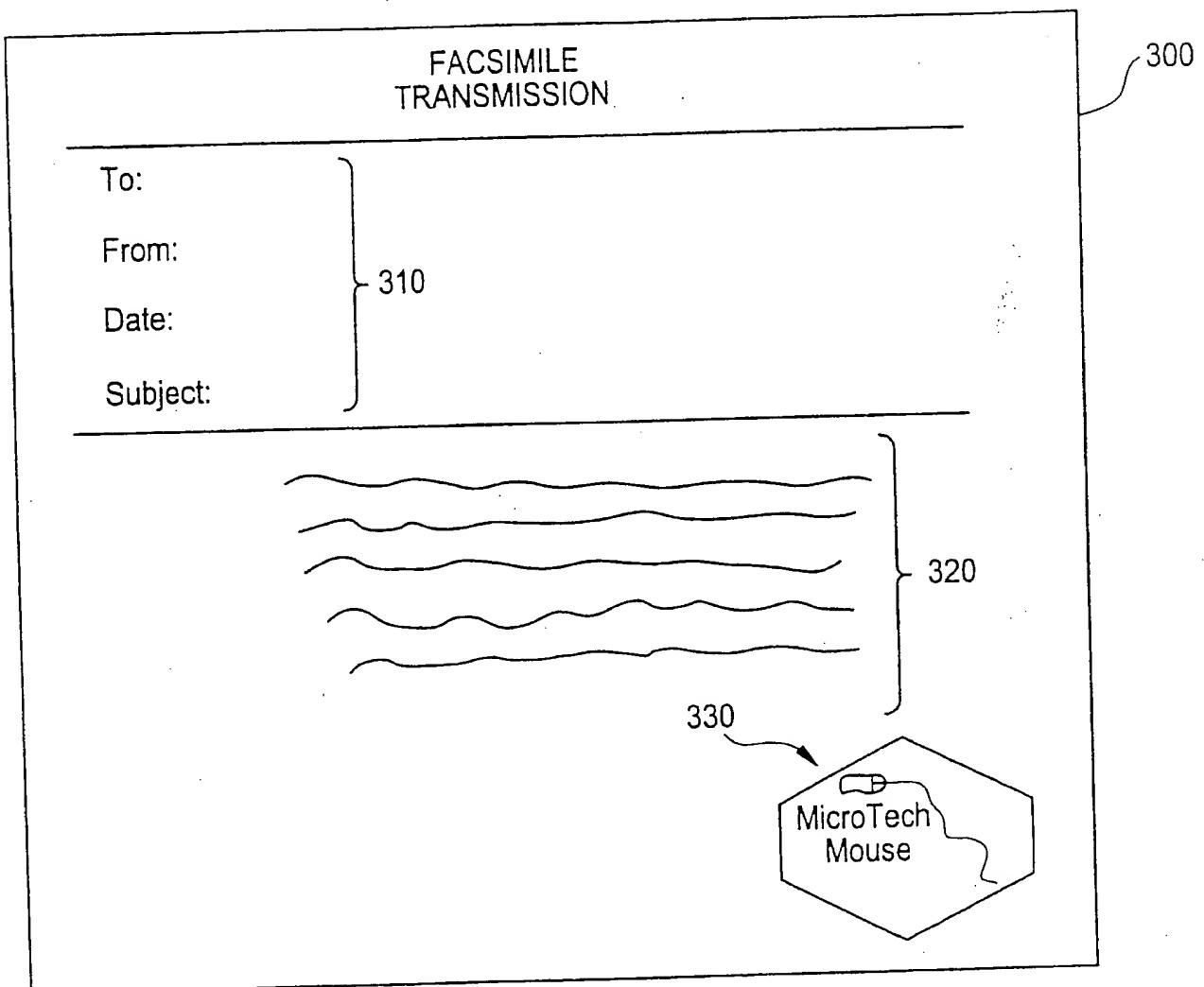
The meeting for the Greensboro installation has been rescheduled for 9:00 am tomorrow. If possible, please bring the revised network topology diagrams so we can discuss. I hope you can make it and look forward to seeing you there.

Best regards,

Eric

\*\* PRO-CAD SOFTWARE\*\*  
Number one in the industry and number one for me!  
<http://www.pro-cad.com>

## FIG. 3



## INTERNATIONAL SEARCH REPORT

International application No.  
PCT/US00/03726

## A. CLASSIFICATION OF SUBJECT MATTER

IPC(7) :G06F 17/60

US CL :705/14

According to International Patent Classification (IPC) or to both national classification and IPC

## B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)

U.S. : 705/14, 26, 27.

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Electronic data base consulted during the international search (name of data base and, where practicable, search terms used)  
EAST (USPATfiles, Derwent, JPO, EPO), Dialog (financial and business databases), see attached.

## C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
X	US 5,848,397 A (MARSH et al) 08 December 1998, abstract, Fig. 1, Fig. 5, Col. 1, lines 14-20, col. 2, lines 24-33, col. 3, lines 14-23, col. 3, line 66 - col. 4, lines 2, col. 5, lines 36-49, col. 6, lines 10-29, col. 7, lines 40-65, col. 15 lines 2-7, lines 20-30, and lines 37-43.	1-21
X	US 5,838,790 A (MCAULIFFE et al) 17 November 1998, Fig. 6A, Fig. 6B, col. 2, lines 14-20, lines 33-37, lines 43-47, col. 3, lines 10-13, lines 42-57, col. 5, lines 25-40, col. 6, lines 25-35, col. 7, lines 18-25, and col. 11, lines 1-7.	1-21
A, E	US 6,061,660 A (EGGLESTON et al) 09 MAY 2000, see abstract.	1-21



Further documents are listed in the continuation of Box C.



See patent family annex.

-	Special categories of cited documents:	*T*	later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention
*A*	document defining the general state of the art which is not considered to be of particular relevance	*X*	document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone
*E*	earlier document published on or after the international filing date	*Y*	document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art
*L*	document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)	*&*	document member of the same patent family
*O*	document referring to an oral disclosure, use, exhibition or other means		
*P*	document published prior to the international filing date but later than the priority date claimed		

Date of the actual completion of the international search  
03 JUNE 2000

Date of mailing of the international search report

04 AUG 2000

Name and mailing address of the ISA/US  
Commissioner of Patents and Trademarks  
Box PCT  
Washington, D.C. 20231  
Facsimile No. (703) 305-3230Authorized officer  
EMANUEL TODD VOELTZ  
Telephone No. (703) 305-9714